Executive Summary

Look inside for:
• An overview of cross-continuum care models
• Sample staffing ratios for treatment facilities
• Key considerations for and components of business planning
LEGAL CAVEAT
Advisory Board is a division of The Advisory Board Company. Advisory Board has made efforts to verify the accuracy of the information it provides to members. This report relies on data obtained from many sources, however, and Advisory Board cannot guarantee the accuracy of the information provided or any analysis based thereon. In addition, Advisory Board is not in the business of giving legal, medical, accounting, or other professional advice, and its reports should not be construed as professional advice. In particular, members should not rely on any legal commentary in this report as a basis for action, or assume that any tactics described herein would be permitted by applicable law or appropriate for a given member’s situation. Members are advised to consult with appropriate professionals concerning legal, medical, tax, or accounting issues, before implementing any of these tactics. Neither Advisory Board nor its officers, directors, trustees, employees, and agents shall be liable for any claims, liabilities, or expenses relating to (a) any errors or omissions in this report, whether caused by Advisory Board or any of its employees or agents, or sources or other third parties, (b) any recommendation or graded ranking by Advisory Board, or (c) failure of member and its employees and agents to abide by the terms set forth herein.

The Advisory Board Company and the “A” logo are registered trademarks of The Advisory Board Company in the United States and other countries. Members are not permitted to use these trademarks, or any other trademark, product name, service name, trade name, and logo of Advisory Board without prior written consent of Advisory Board. All other trademarks, product names, service names, trade names, and logos used within these pages are the property of their respective holders. Use of other company trademarks, product names, service names, trade names, and logos or images of the same does not necessarily constitute (a) an endorsement by such company of Advisory Board and its products and services, or (b) an endorsement of the company or its products or services by Advisory Board. Advisory Board is not affiliated with any such company.

IMPORTANT: Please read the following.
Advisory Board has prepared this report for the exclusive use of its members. Each member acknowledges and agrees that this report and the information contained herein (collectively, the “Report”) are confidential and proprietary to Advisory Board. By accepting delivery of this Report, each member agrees to abide by the terms as stated herein, including the following:

1. Advisory Board owns all right, title, and interest in and to this Report. Except as stated herein, no right, license, permission, or interest of any kind in this Report is intended to be given, transferred to, or acquired by a member. Each member is authorized to use this Report only to the extent expressly authorized herein.

2. Each member shall not sell, license, republish, or post online or otherwise this Report, in part or in whole. Each member shall not disseminate or permit the use of, and shall take reasonable precautions to prevent such dissemination or use of, this Report by (a) any of its employees and agents (except as stated below), or (b) any third party.

3. Each member may make this Report available solely to those of its employees and agents who (a) are registered for the workshop or membership program of which this Report is a part, (b) require access to this Report in order to learn from the information described herein, and (c) agree not to disclose this Report to other employees or agents or any third party. Each member shall use, and shall ensure that its employees and agents use, this Report for its internal use only. Each member may make a limited number of copies, solely as adequate for use by its employees and agents in accordance with the terms herein.

4. Each member shall not remove from this Report any confidential markings, copyright notices, and/or other similar indicia herein.

5. Each member is responsible for any breach of its obligations as stated herein by any of its employees or agents.

6. If a member is unwilling to abide by any of the foregoing obligations, then such member shall promptly return this Report and all copies thereof to Advisory Board.
Table of Contents

Executive Summary .................................................................................................................. 4
Key Considerations .................................................................................................................. 5
Opportunity Assessment .......................................................................................................... 7
Service Provision ..................................................................................................................... 8
Staffing Structure .................................................................................................................... 10
Overview of Key Business Plan Components ....................................................................... 13
Appendix .................................................................................................................................. 16
Executive Summary

Historically, treatment for substance use disorders (SUDs) has largely remained separate from traditional hospital and health system care delivery models. However, the separation of services has created significant barriers for patients to access appropriate and timely treatment.

According to the Substance Abuse and Mental Health Services Administration’s national survey, 19 million Americans needed substance use treatment in 2016, but only 11% received it. In some areas, waiting lists for rehabilitation facilities exceed 100 days. As a result, many patients with SUDs get admitted or seek services in emergency departments, contributing to costly efficiency and management challenges.

The impact of substance use disorders on the health care system continues to increase. Between 2006 and 2013, rates of ED use for SUDs grew 37% and health care costs from alcohol, illicit drug, and prescription opioid abuse total approximately $63 million each year. Providers must determine the best strategy to link care model resources and fill their community’s pressing gaps.

This executive summary provides a framework for investing in treatment services to advance longitudinal management of patients suffering from SUDs. Download the report to get:

- An overview of cross-continuum care models
- Sample staffing ratios for treatment facilities
- Key considerations and components of business planning
Key Considerations

Three Must Have Elements in Designing a SUD Treatment Facility

1. **Address existing market gaps in care by offering services in which demand clearly exceeds supply.**

   In many markets, a large proportion of alcohol and drug-dependent individuals are not receiving treatment. Identifying which services have waitlists or are in high demand informs how providers can address gaps in care. Gaps in the SUD treatment facility market can include residential services, intensive outpatient, opioid treatment, withdrawal management, support services, and transportation.

2. **Partner with facilities that offer complementary services to ensure comprehensive portfolio of resources.**

   Ranging from outpatient to intensive outpatient to inpatient to residential, SUD treatment facility care models differentiate by service and resource investment intensity. Outpatient is the least resource intensive to create and maintain, while residential is the most intensive. Providers should develop a care model after accounting for available resources and demonstrated need in the market. After choosing the care model, providers should also look to partner with organizations that offer complementary services to connect patients with additional appropriate resources.

3. **Construct a payment model that accommodates diverse payer mix.**

   Many non-health system SUD treatment facilities accept a variety of commercial insurers in addition to Medicaid, Medicare, and self-payers. Providers can seek to accommodate different payer types by communicating with patients about their insurance coverage, evaluating Medicaid reimbursement rates to substantiate pricing decisions, and increasing price transparency and/or considering a sliding-scale pricing model.

---

1) Market gaps of SUD treatment facilities can be determined by sizing the number of patients on waitlists.

Source: Population Health Advisor interviews and analysis.
First Understand Your Market Gaps to Determine SUD\(^1\) Treatment Investments

Then Design Care Model to Fill Most Pressing Service Gaps Where Demand Exceeds Community Capacity

**Four Essential Components to Inform a Strategic Business Plan**

**OPPORTUNITY ASSESSMENT**

- **Target Demographic Analysis**
  - Analyze patient demographics and assess gaps in care to differentiate offerings

- **Reimbursement Management**
  - Align cost structure and services with reimbursement trends to ensure sustainable profitability

**CARE MODEL DESIGN**

- **Service Provision**
  - Determine care model based on desired intensity level of patient care across different care settings and minimal overlap

- **Staff Structure**
  - Develop a hiring plan that matches top-of-license staff to essential treatment roles

---

1) Substance use disorder.

Source: Population Health Advisor interviews and analysis.
Needs Assessment a Key Starting Place to Surface Existing Market Resources

Due to Suboptimal Reimbursement, Service Mix Must Account for Anticipated Payment, Funding Sources

**Conduct a Market Opportunity Assessment**

1. Perform demographic analysis to identify most pressing service gaps and potential partners

   *What are gaps in SUD treatment options in your market?*
   - Determine the proportion of patients not receiving treatment
   - Identify community hotspots of opioid and other prevalent specific substances (based on zip codes or counties)

   *How can your organization capitalize on treatment gaps?*
   - Provide or partner with facilities that offer residential, opioid treatment, withdrawal management, intensive outpatient, transportation, and recovery support services

2. Determine reimbursement strategy to maximize financial insurance support and accommodate demographic payer mix

   *What is the payer mix in your market?*
   - Identify which patient populations (defined by payer groups, e.g., Medicaid or self-pay) are most prevalent
   - Determine of those payers, which insurance plans are required to cover SUD treatment

   *How should you accommodate different payer types?*
   - Communicate with patients about their insurance coverage
   - Evaluate Medicaid rates to determine self-payer prices
   - Provide self-pay patients cost for services information
   - Offer transparent pricing or sliding-scale pricing

**Design Your Care Model Approach Based to Fill Resource Gaps**

3. Choose care model given varying levels of investment and service intensity, prioritizing offerings based on market need

   *What types of care models exist? What differentiates them?*
   - Four types of care models provide a range of services
   - Outpatient is the least intensive in terms of services provided and resources required, while residential is the most intensive

   *What factors should be considered in determining the level of service intensity a patient needs?*
   - A SUD treatment center must first assess patients’ substance dependence acuity, and then factor in insurance, history, and home support

4. Outline staff structure to optimize service offerings and model cost-effectiveness

   *What types of staff provide care in each model? What are their roles and responsibilities?*
   - Staffing models comprise physicians, addiction counselors, care coordinators, non-physician specialists
   - Titles, roles, and ratios differ by care model and services

   *How should you develop a staffing model?*
   - Providers must evaluate their current workforce and capacity and then use staffing model trends to establish clear roles, responsibilities, and ratios

---

1) Substance use disorder.

©2018 Advisory Board • All Rights Reserved

7

advisory.com

Source: Population Health Advisor interviews and analysis.
Care Models Vary by Setting but Overlap in Provided Services

Tailor Intensity of Care to Target Patient Demographics and Resource Availability

Greater Investment Required When Offering More Comprehensive Services

Outpatient
- Individual or group counseling and therapy services
- Intended to help patients reach or maintain sobriety while confronting pressures of living independently
- Services can be delivered in a primary care clinic or office, behavioral health/specialty addiction treatment program, methadone clinic, buprenorphine clinic, opioid treatment program, or community health center

Intensive Outpatient
- Individual or group treatment services provided at least 3 hours a day, at least 3 days a week
- Intended for patients who need structured programming but not 24-hour care
- Services include a custom treatment plan with counseling, education, and additional support in the same type of care delivery sites as outpatient services

Inpatient
- Treatment provides 24-hour care in a safe and secure environment for severe cases
- Serves as short-term intensive triage setting to determine whether a patient would be better served in intensive outpatient or residential
- May include detoxification services, medical or psychiatric services, psychopharmacological services, addiction medication management recovery support services, and 24-hour crisis services

Residential
- Program provides 24-hour support and services in a home-like environment
- Patient lives at the substance use disorder treatment facility full time
- May include individual and/or group counseling, educational sessions, and introduction to self-help groups

Providers Can Triage Patients Based on Multitude of Factors

Patient Acuity Most Important Factor for Service Placement, Then Account for History and Support at Home

Factors and Considerations for Determining Service Intensity

<table>
<thead>
<tr>
<th>Acuity</th>
<th>Outpatient</th>
<th>Intensive Outpatient</th>
<th>Inpatient</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Urgent</td>
<td>• Stable vital signs&lt;br&gt;• Patient motivated to manage own care</td>
<td>Less Urgent</td>
<td>• Stable vital signs&lt;br&gt;• Requires custom treatment plan and intensive counseling</td>
<td>Emergent</td>
</tr>
<tr>
<td>Less Urgent</td>
<td>• Stable vital signs&lt;br&gt;• Requires custom treatment plan and intensive counseling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urgent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Patient History</th>
<th>Non-Urgent</th>
<th>Less Urgent</th>
<th>Inpatient</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Significant</td>
<td>• Minimal personal and familial drug history&lt;br&gt;• No co-morbidities</td>
<td>Significant</td>
<td>• Some relapse and/or familial drug history&lt;br&gt;• Comorbidities monitored</td>
<td></td>
</tr>
<tr>
<td>Significant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extensive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Home Support</th>
<th>Non-Urgent</th>
<th>Less Urgent</th>
<th>Inpatient</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable</td>
<td>• Strong support system&lt;br&gt;• Sober housing</td>
<td>Stable or Seeking Stability</td>
<td>Sober housing or ability to move to sober housing</td>
<td></td>
</tr>
<tr>
<td>Stable or Seeking Stability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unstable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Population Health Advisor interviews and analysis; additional sources available in Appendix.
# Four Essential Medical Staff Roles for SUD Treatment Facility

## Roles, Responsibilities, and Ratios Differ by Care Model and Offerings

### Medical Staff Types for SUD Treatment Facilities

<table>
<thead>
<tr>
<th>Roles and Responsibilities</th>
<th>Physicians</th>
<th>Addiction Counselors</th>
<th>Expanded Care Team</th>
<th>Care Coordinators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common Titles</strong></td>
<td>• Psychiatrist  &lt;br&gt; • Internist  &lt;br&gt; • Addiction specialist  &lt;br&gt; • General practitioner</td>
<td>• Licensed alcohol and drug counselor (LADC)  &lt;br&gt; • Master level license alcohol and drug counselor (MLADC)  &lt;br&gt; • Clinical social worker</td>
<td>• Addictionist  &lt;br&gt; • Specialized therapist  &lt;br&gt; • Behavioral technician  &lt;br&gt; • Acupuncturist  &lt;br&gt; • Chiropractor</td>
<td>• Coordinate induction  &lt;br&gt; • Administer screens and results  &lt;br&gt; • Assist patients with accessing social services</td>
</tr>
<tr>
<td><strong>Utilization by Care Model</strong></td>
<td>• Used most in inpatient and residential care models, where patients are most complex  &lt;br&gt; • Sometimes omitted from outpatient programs</td>
<td>Used most in intensive outpatient and residential care models, where patients are undergoing more counseling</td>
<td>Depends on services offered in the care model  &lt;br&gt; • Used most when SUD treatment facility offers multiple specialized services</td>
<td>Depends on how facility uses care coordinators</td>
</tr>
<tr>
<td><strong>Sample Ratio: 18-Bed Inpatient Dual Diagnosis Unit</strong></td>
<td>1 psychiatrist for every 10-15 patients</td>
<td>1 clinical social worker for every 8-9 patients</td>
<td>1 behavioral technician for every 8 patients</td>
<td>1 nurse for every 8 patients</td>
</tr>
</tbody>
</table>

Consider MAT\(^1\) Program to Alleviate Prevalent Opioid Use Disorders

Establish Coordination Policies Across Team and Relationships with ED to Ensure Efficient Care Delivery

**Key Steps in Building MAT Program**

**Recruit and Integrate Care Team**
- Hire essential care team: physicians, care coordinators, addiction counselors, and additional medical professionals to effectively treat and manage patients
- Decide how care team will coordinate and communicate treatment plan to each other and to patients

**Collaborate with Emergency Department**
- Establish a relationship with ED leadership to ensure smooth referral process
- Communicate with ED staff about the importance of introducing medication, such as buprenorphine or methadone, to ease the withdrawal process

**Define Care Delivery and Coordination Policies**
- Determine how psychosocial services will be delivered and frequency of services
- Identify reimbursement strategy
- Consider a urine drug testing policy if patients are seen in outpatient setting

**Medication Assisted Treatment**
- Medication Assisted Treatment (MAT): evidence-based treatment that combines behavioral therapy and medications to treat SUDs, such as Opioid Use Disorders (OUDs) and alcohol use disorder
- Can be delivered in all care settings
- Linked to positive outcomes including increased retention in treatment, reduced medical and SUD treatment costs, reduced opioid overdose, increased abstinence from opioids, and decreased mortality rate

For more information on Medication Assisted Treatment as well as a framework for crafting a comprehensive opioid response strategy, check out our [Confronting the Opioid Epidemic](#) research report.

---

1) Medication Assisted Treatment.

Source: Population Health Advisor interviews and analysis; additional sources available in Appendix.
Collaborative Staffing Model Increases Patient Retention

Nurse Care Manager (NCM) Serves as Point Person for Patients Throughout Intake, Treatment, Support

**NCM at Center of MAT Care**

- **Intake**
  - Responsible for initial assessment of patient’s medical, social, and psychiatric history

- **Care Plan Liaison**
  - Serves as liaison between the patient and physician and ensures patient understands treatment plan

- **Clinical Maintenance**
  - Handles urine toxicology screenings and verifies behavioral health counseling

- **Ongoing Support**
  - Provides support and education to patient through weekly appointments, telephone check-ins

**Case in Brief: Boston Medical Center**

- 496-bed academic medical center, part of Partners HealthCare
- Developed MAT program that relies heavily on NCMs to improve patient access and allow physicians to focus on managing the complexities of SUDs while the NCMs handle day-to-day care management
- NCMs conduct the initial patient assessment, support and educate the patient throughout the treatment process, and serve as a liaison between the patient and physician
- With the help of an assistant, each NCM supports 125 patients, which is over three times the number of cases necessary to fund an NCM position
- Results: Increase from 32% in 2010 to 67% in 2013 in patients treated for at least 12 months (the minimum length of time indicating a greater likelihood of future drug abuse abstinence)

Source: Population Health Advisor interviews and analysis; additional sources available in Appendix.
Key Business Plan Components
Two Parts to Business Planning for SUD Treatment Facilities

First, Make the Case for Care Model Selection and Outline Financial Implications

1 Executive Summary
Outline key components of business plan to emphasize how treatment facility will function and what it will aim to achieve

2 Services & Vision
Analyze potential rehabilitation service and treatment offerings. Services chosen should reflect demonstrated market demand; mission statement should outline treatment facility’s driving vision of how to provide patient care

3 Market Analysis
Use market analyses to outline key characteristics of the treatment facility market; emphasize how treatment facility will satisfy existing needs in current market

4 Business Model
Estimate operational costs and revenue from the treatment facility

Guidelines

Outline key components of business plan to emphasize how treatment facility will function and what it will aim to achieve

Applications

Outline substance abuse care gaps and growing demand for treatment in target market to appeal to potential stakeholders. Other potential elements to emphasize include the treatment facility’s mission statement, primary services offered, and market analysis summary

Potential services include Medication Assisted Treatment, withdrawal support, and complementary transportation; such services may reflect a vision of providing holistic, coordinated care to achieve more effective, long-term results

Potential market factors to highlight include addiction rates, treatment services in demand, existence of competition, and wait times at other treatment facilities

Determinations to consider include initial start-up costs, operational costs, patient capacity and demand, services and treatments offered, employee salaries, staffing structure, reimbursement rates, desired versus actual payer mix, and potential grants and external funding sources

### Assess Payer Mix to Convey Funding Sustainability

A Diversity of Revenue Streams Enables Expanded Care Coverage Regardless of Payer Mix

<table>
<thead>
<tr>
<th>Guidelines</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5 Staffing Structure</strong></td>
<td>Decide which staff types are essential to achieving SUD treatment facility's goals; clearly define staff types' roles and responsibilities</td>
</tr>
<tr>
<td><strong>6 Financial Projections</strong></td>
<td>Employ financial analyses of treatment facility industry and market to determine growth projections for the next three to five years</td>
</tr>
<tr>
<td><strong>7 Strategic Marketing Plan</strong></td>
<td>Determine how the treatment facility will enter the market, differentiate itself from other providers, and attract new patients</td>
</tr>
<tr>
<td><strong>8 Appendix</strong></td>
<td>Use the appendix to include any additional relevant documents to bolster the strength of the business plan</td>
</tr>
</tbody>
</table>

- **Staffing Structure**
  - Estimate the number of addiction counselors, prescribing physicians, care coordinators, and extended care team necessary for intended care model and services
  - Include projected data to convey the short- and long-term feasibility of the treatment facility; financial projections can be communicated through balance sheets by analyzing how the business model will stand up to current and projected market demand

- **Financial Projections**
  - Possible strategies include partnering with local health systems or social services and engaging in commercial campaigns

- **Strategic Marketing Plan**
  - The appendix often includes resumes, accreditations, permits, and additional reading for potential stakeholders

### Sources

<table>
<thead>
<tr>
<th>Section</th>
<th>Source</th>
</tr>
</thead>
</table>